

The Bankruptcy Boys

Пише: Paul Krugman
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O.K., the beast is starving. Now what? That's the question confronting Republicans. But they're refusing to answer, or even to engage in any serious discussion about what to do.

For readers who don't know what I'm talking about: ever since Reagan, the G.O.P. has been run by people who want a much smaller government. In the famous words of the activist Grover Norquist, conservatives want to get the government "down to the size where we can drown it in the bathtub."

But there has always been a political problem with this agenda. Voters may say that they oppose big government, but the programs that actually dominate federal spending — Medicare, Medicaid and Social Security — are very popular. So how can the public be persuaded to accept large spending cuts?

The conservative answer, which evolved in the late 1970s, would be dubbed "starving the beast" during the Reagan years. The idea — propounded by many members of the conservative intelligentsia, from Alan Greenspan to Irving Kristol — was basically that sympathetic politicians should engage in a game of bait and switch. Rather than proposing unpopular spending cuts, Republicans would push through popular tax cuts, with the deliberate intention of worsening the government's fiscal position. Spending cuts could then be sold as a necessity rather than a choice, the only way to eliminate an unsustainable budget deficit.

And the deficit came. True, more than half of this year's budget deficit is the result of the Great Recession, which has both depressed revenues and required a temporary surge in spending to contain the damage. But even when the crisis is over, the budget will remain deeply in the red, largely as a result of Bush-era tax cuts (and Bush-era unfunded wars). And the combination of an aging population and rising medical costs will, unless something is done, lead to explosive debt growth after 2020.

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So the beast is starving, as planned. It should be time, then, for conservatives to explain which parts of the beast they want to cut. And President Obama has, in effect, invited them to do just that, by calling for a bipartisan deficit commission.

Many progressives were deeply worried by this proposal, fearing that it would turn into a kind of Trojan horse — in particular, that the commission would end up reviving the long-standing Republican goal of gutting Social Security. But they needn't have worried: Senate Republicans overwhelmingly voted against legislation that would have created a commission with some actual power, and it is unlikely that anything meaningful will come from the much weaker commission Mr. Obama established by executive order.

Why are Republicans reluctant to sit down and talk? Because they would then be forced to put up or shut up. Since they're adamantly opposed to reducing the deficit with tax increases, they would have to explain what spending they want to cut. And guess what? After three decades of preparing the ground for this moment, they're still not willing to do that.

In fact, conservatives have backed away from spending cuts they themselves proposed in the past. In the 1990s, for example, Republicans in Congress tried to force through sharp cuts in Medicare. But now they have made opposition to any effort to spend Medicare funds more wisely the core of their campaign against health care reform (death panels!). And presidential hopefuls say things like this, from Gov. Tim Pawlenty of Minnesota: "I don't think anybody's gonna go back now and say, Let's abolish, or reduce, Medicare and Medicaid."

What about Social Security? Five years ago the Bush administration proposed limiting future payments to upper- and middle-income workers, in effect means-testing retirement benefits. But in December, The Wall Street Journal's editorial page denounced any such means-testing, because "middle- and upper-middle-class (i.e., G.O.P.) voters would get less than they were promised in return for a lifetime of payroll taxes." (Hmm. Since when do conservatives openly admit that the G.O.P. is the party of the affluent?)

At this point, then, Republicans insist that the deficit must be eliminated, but they're not willing either to raise taxes or to support cuts in any major government programs. And they're not willing to participate in serious bipartisan discussions, either, because that might force them to explain their plan — and there isn't any plan, except to regain power.

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But there is a kind of logic to the current Republican position: in effect, the party is doubling down on starve-the-beast. Depriving the government of revenue, it turns out, wasn't enough to push politicians into dismantling the welfare state. So now the de facto strategy is to oppose any responsible action until we are in the midst of a fiscal catastrophe. You read it here first.

<http://www.nytimes.com/2010/02/22/opinion/22krugman.html?hp>